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FOR IMMEDIATE RELEASE

Phoenix Man Receives Prison Term for Theft in Securities Case

(Phoenix, Ariz. – June 3, 2008) Attorney General Terry Goddard today announced that Ryan Herndon, 32, of Phoenix, has been sentenced to 3.5 years in prison, followed by seven years probation, and ordered to pay \$2.7 million in restitution for his admitted thefts from Trend Capital Management Group, Inc. and Trend Capital, LLC. Three months ago, Herndon pleaded guilty to two counts of theft.

Between 2001 and October 2005, Herndon, who was not registered to sell securities in Arizona, was involved with Trend Management Group, Inc., Trend Capital, L.L.C., and Trend Group, Inc. ("Trend Entities"), all in Phoenix, which raised more than \$15.9 million from over 300 investors, many of whom were elderly. The investors were sold unregistered securities in the form of stock and investment contracts that involved the purchase, servicing, and sale of distressed consumer receivables. These receivables were unpaid debts of individuals owed to banks, finance companies and other credit providers.

The Trend entities are currently under the control of a court-appointed receiver who has collected assets of about \$5.4 million. The receiver will soon propose a plan to make a distribution to investors.

As part of the plea agreement, Herndon cooperated with Simon Consulting, LLC, the court-appointed receiver for the Trend companies. To date, the receiver has recovered about \$500,000 through Herndon's assistance, in addition to other funds recovered through other sources. Herndon was sentenced by Maricopa County Superior Court Judge Roland J. Steinle.

This case is the result of a joint effort by investigators and attorneys of the Arizona Corporation Commission Securities Division and the Attorney General's Office.

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